

February 6, 2006

2006 BUDGET BRIEFING NOTE: Parking Tag Revenue

Issue:

At the time that the 2006 Operating Budget Analyst Briefing Notes (dated January 13, 2006) were prepared for the Budget Advisory Committee for the Parking Tag Enforcement & Operations Program, the 2005 year-end projection for Non-Program, Parking Tag Revenue was estimated at \$75.287 million - \$7.5 million below the 2005 Approved Budget of \$82.787 million.

Based on the most recent data as at February 6, 2006 and the final tag payments received in December 2005, the 2005 year-end actual for Parking Tag Revenue has been updated to \$79.933 million - \$2.854 million below the 2005 Approved Budget of \$82.787 million.

Background:

General Information

- The purpose of the various parking by-laws and parking enforcement activities in the City of Toronto is to regulate the movement of traffic on the City's streets and to help ensure smooth traffic flow and safe City streets. The City's parking fines have been established to serve as a deterrent to illegal parking.
- The Toronto Police Services, Parking Enforcement Unit is responsible for issuing of parking tickets across the City. The Revenue Services Division is responsible for the processing and collection of parking tickets that have been issued.
- The revenues generated by the parking tickets issued across the City each year are budgeted and accounted for in the Non Program Revenue Budget (NP8070) entitled "Parking Tag Enforcement and Operations".

Parking Tag Revenue for 2005

- In 2005, Council adopted a Parking Tag Revenue Budget of \$82.787 million based on:
 - the assumption that the City would issue approximately 3,015,000 parking tickets, based on prior years' ticket issuance levels and an estimated tag issuance forecasted by the Toronto Police Services, Parking Enforcement Unit. (In 2004, the City issued 3,076,000 parking tickets.); and,
 - a \$10.1 million projected revenue increase attributable to the elimination of the Voluntary Payment Amount for all parking offences (as approved by Council at its meeting held on May 18, 19 and 20, 2004; re: Clause 16 of Report No. 3 of the Economic Development and Parks Committee titled "Parking Revenue Increase Options").

- In 2005, the City only issued 2,858,353 parking tickets – 156,647 tickets below the budgeted ticket issuance level of 3,015,000; and, 217,796 tickets below the 2004 actual ticket issuance level of 3,076,149. Given the shortfall in the number of parking tickets issued in 2005, the updated 2005 year-end projected revenue of \$79.933 million is \$2.854 million below the 2005 Approved Parking Tag Revenue Budget of \$82.787 million.
- There are many variables that may impact parking ticket issuance in any given year. For 2005, the Toronto Police Service, Parking Enforcement Unit advises that there was a higher level of compliance by motorists with respect to parking legally, most likely attributable to the Voluntary Payment Amount being eliminated in November 2004. In addition, general economic information indicates that the high fuel prices in 2005 may have resulted in fewer vehicles on the City's streets.
- Appendix A, attached, compares the number of parking tickets issued in 2005 (by offence code) to both the 2005 budgeted issuance level of 3,015,000 parking tickets, as well as the 2004 actual ticket issuance.
- Appendix B compares actual ticket issuance in 2005 by month to 2004.

Key Points:

- The number of parking tickets issued in the City of Toronto is below 2004 ticket issuance levels and below the 3.015 million ticket issuance level upon which the 2005 Approved Budget for Non Program, Parking Tag Revenue of \$82.787 million is based. As a result, projected parking tag revenues for 2005 are estimated to be \$2.854 million below budget.
- The 2006 Proposed Budget of \$75.0 million is based on earlier projected year-end actuals and the lower than expected ticket issuance experienced in 2005. The 2006 Budget Estimate of \$75.0 million reflects a \$7.787 million reduction from the 2005 Approved Budget of \$82.787 million. Given the updated year-end revenue projection of \$79.933 million, the 2006 Budget Estimate for Parking Tag Revenue can be increased by \$5.0 million to \$80 million to reflect the 2005 projected actual.

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Appendix A
2005 Parking Ticket Issuance by Offence Code

Offence Types	2005 # of Parking Tickets			2004 # of Parking Tickets Issued	2005 Year- end Projection vs 2004
	Budgeted Level *	Projected Year-end Actual**	Variance		
Meter Offences	693,634	621,360	(72,274)	707,702	(86,342)
No Parking – Prohibited Time	665,004	564,280	(100,724)	678,491	(114,211)
No Permit	551,704	471,212	(80,492)	562,893	(91,681)
Private Property	222,544	224,705	2,161	227,058	(2,353)
No Stopping	136,110	131,458	(4,652)	138,871	(7,413)
Max 3 hour Parking	112,163	99,848	(12,315)	114,438	(14,590)
Excessive Time	92,710	77,490	(15,220)	94,590	(17,100)
No Standing	91,789	89,050	(2,739)	93,651	(4,601)
Fire Route	43,120	33,694	(9,426)	43,994	(10,300)
Parking Machine not used	32,773	27,218	(5,555)	33,438	(6,220)
Fire Hydrant	29,591	28,781	(810)	30,191	(1,410)
Snow Removal Bylaw	28,966	24,192	(4,774)	29,553	(5,361)
Stop Sidewalk	26,909	22,540	(4,369)	27,455	(4,915)
Public Lane	23,564	18,804	(4,760)	24,042	(5,238)
Park Boulevard	19,614	17,408	(2,206)	20,012	(2,604)
Transit Stop Offences	18,588	16,231	(2,357)	18,965	(2,734)
9 Meters from Intersection	17,328	15,463	(1,865)	17,679	(2,216)
Park outside period time	14,146	10,097	(4,049)	14,433	(4,336)
Municipal Property	11,445	8,377	(3,068)	11,677	(3,300)
Parallel to curb	9,478	8,082	(1,396)	9,670	(1,588)
Loading Zone	6,935	7,656	721	7,076	580
Disabled	6,115	4,325	(1,790)	6,239	(1,914)
Park obstruct laneway	5,453	4,896	(557)	5,564	(668)
Others***	155,317	331,186	175,869	158,467	172,719
TOTAL	3,015,000	2,858,353	(156,647)	3,076,149	(217,796)

* The 2005 Budgeted ticket issuance level is allocated by Offence Type based on the percentage of tickets issued for that offence in 2004.

** The 2005 year-end ticket issuance level is still only a projection at this point in time given that some parking enforcement officers may have been on vacation in the later part of 2005 and early part 2006 and may not have turned in their ticket books yet. The ticket issuance level for 2005 will be finalized in the near future.

***The "Others" category represents all other offences such as Parks Offences, Toronto Parking Authority Offences and other offences that are not commonly used.

Appendix B

2005 Parking Ticket Issuance by Month Compared to 2004

	# of Parking Tickets Issued		Variance
	2005	2004	
January	208,157	199,108	9,049
February	215,981	233,924	(17,943)
March	230,823	309,526	(78,703)
April	220,488	270,510	(50,022)
May	276,756	255,737	21,019
June	247,131	291,261	(44,130)
July	257,385	267,891	(10,506)
August	221,622	228,343	(6,721)
September	260,457	270,076	(9,619)
October	210,772	245,821	(35,049)
November	292,832	264,794	28,038
December	215,949	239,158	(23,209)
TOTAL	2,858,353	3,076,149	(217,796)